

## **Data Monitoring Plan for Special Accounts**

Outlined below is the process EPA will undertake to monitor special account data in the Superfund Enterprise Management System (SEMS) and EPA's financial system, Compass. The months in *italics* represent the general timeframes these actions will occur, but may change based on the annual work planning and mid-year review timeframes established by the Superfund program.

EPA regional Superfund programs are responsible for entering special account planning data into SEMS. The regional programs should update special account planning data in SEMS on a continual basis as warranted by site activity (at a minimum twice a year) in preparation for annual work planning and mid-year review processes outlined below. The Office of Superfund Remediation and Technology Innovation (OSRTI) and the Office of Site Remediation Enforcement (OSRE) are responsible for maintaining the data entry screens and monitoring the special account planning information entered into SEMS by the regions.

In addition to the process outlined here for routine updates, in response to stakeholder inquiries (i.e., OIG, OMB, Congress, FOIA), information may need to be gathered outside of these processes. If this is necessary, OSRTI will coordinate with the appropriate offices and regions before using any data for special accounts outside of the process described here.

### **1. WORK PLANNING REVIEWS**

#### **Regions update special account planning data in SEMS at the beginning of the fiscal year. (*October*)**

This data will be the official data EPA uses to report on the management and use of special accounts to internal and external parties, as well as provide a baseline for fiscal year planning data. This includes our annual update to Congress on special account utilization via the Agency's Congressional Justification (CJ).

#### **OSRTI and OSRE review special account planning data to ensure compliance with EPA guidance. (*October-November*)**

OSRTI and OSRE review special account planning data using reports in SEMS to ensure that regions are entering quality data, complying with special account guidance, and effectively managing special accounts. The regions, OSRTI, and OSRE should monitor accounts to ensure that, among other things, use of funds are being appropriately planned for in accordance with guidance, funds are offered to work parties during settlement negotiations as appropriate, and reclassifications and transfers are occurring in a timely manner. As part of its oversight, OSRTI and OSRE will review special account planning data in accordance with a checklist (Attachment 1), with particular areas of focus to include, but not limited to, accounts that have not obligated or disbursed any funds in the past 5 years, accounts 10 years old or more, accounts with available balances of \$1 million or greater, and accounts with less than \$25,000 available. The checklist used by Headquarters to review special account planning data may be updated by staff as warranted and does not require reissuance of this Data Monitoring Plan. As regions update their special account planning information in SEMS, they are urged to conduct their own reviews along the same lines as the OSRTI and OSRE reviews. Should a region have a question or concern about the disposition of a given special account, please contact either OSRTI or OSRE for further discussion.

**Dialogue with regions on special account planning data. (November-December)**

Annual work planning dialogues will take place in November and December to review the data entered by the regions. OSRTI and OSRE will develop materials in advance of these dialogues for regions to review, including any account-specific or region-specific questions. Regions may choose to respond to questions in writing rather than holding a conference call for discussion.

**2. ANNUAL SUPERFUND DIVISION DIRECTOR REVIEW**

**Annual review by regional Superfund Division Directors. (November-December)**

Regional Superfund Division Directors should review open special accounts with more than \$1 million available, accounts that have not obligated or disbursed any funds in the past 5 years, and accounts with less than \$25,000 available to ensure effective utilization and management of these accounts. OSRTI and OSRE will provide to the regions a report in November/December as part of the work planning materials with those accounts that should be reviewed by the regional Superfund Division Directors. Regions should update their special account planning data based on these reviews by no later than mid-year planning updates. Should a region have a question or concern about the disposition of a given special account, please contact either OSRTI or OSRE for further discussion.

**3. MID-YEAR REVIEWS**

**Regions update special account planning data in SEMS at mid-year. (April)**

**OSRTI and OSRE review mid-year special account planning data to ensure compliance with EPA guidance. (April-May)**

Mid-year data reviews will be used to follow-up on regional issues and monitor planned actions identified in the data from the beginning of the year. The data will be pulled using reports in SEMS and will be reviewed to ensure that regions are entering quality data and complying with guidance. The regions, OSRTI, and OSRE should monitor accounts to ensure that, among other things, use of funds are being appropriately planned for in accordance with guidance, funds are offered to work parties during settlement negotiations as appropriate, and reclassifications and transfers are occurring in a timely manner. OSRTI and OSRE will review special account planning data in accordance with a checklist (Attachment 1), with particular areas of focus to include, but not limited to, accounts that have not obligated or disbursed any funds the past 5 years, accounts 10 years old or more, accounts with available balances of \$1 million or greater, and accounts with less than \$25,000 available. The checklist used by OSRTI and OSRE to review special account planning data may be updated by staff as warranted and does not require reissuance of this Data Monitoring Plan. As regions update their special account planning information in SEMS, they are urged to conduct their own reviews along the same lines as the OSRTI and OSRE reviews. Should a region have a question or concern about the disposition of a given special account, please contact either OSRTI or OSRE for further discussion.

**Dialogue with regions on mid-year special account planning data. (May-June)**

Mid-year dialogues will typically take place in May and June to review the special account planning data entered by the regions. These dialogues will focus on the status of completing near-term actions identified, as well as changes in the data since the beginning of the year. OSRTI and OSRE will develop materials in advance of these dialogues for regions to review, including any account-specific or region-specific questions. Regions may choose to respond to questions in writing rather than holding a conference call for discussion.

#### **4. SPECIAL ACCOUNT NEGATIVE BALANCE REVIEWS**

**Review special account fund code balances and overall account balances. (*Quarterly*)**

All special accounts with either negative fund code balances or negative overall balances are reviewed by the Cincinnati Finance Center (CFC) each quarter. CFC sends an email with those accounts to the applicable region and requests the necessary corrective actions be taken to correct the special accounts.

#### **5. REPORTS FOR STAKEHOLDERS**

**Prepare work planning and mid-year reports for the Special Accounts Senior Management Committee (SASMC). (*December, June*)**

A report to the SASMC should include a summary of the analysis of planning data, and any recommendations or next steps, if appropriate. Reports will be provided in December with analysis of work planning data and in June with an analysis of mid-year data. At a minimum, reports to the SASMC will include the current number of special accounts and amounts available, total amount planned for future use from special accounts, a summary of how special account funds are planned in SEMS for future use, including reclassifications and transfers to the Superfund Trust Fund, and any recommendations for further improving the management and/or use of special accounts.

**Prepare EPA's Annual Performance Plan and Congressional Justification (*December*).**

EPA's Annual Performance Plan and Congressional Justification (CJ) will include special account financial and work planning information on a national and regional level, but does not include site-specific confidential planning data. Staff will prepare this report in December for release with the President's Budget in February.

**Issue reports on the status of planned reclassifications, transfers to the Trust Fund, and account closures. (*Quarterly*)**

OSRTI will prepare a report at the end of each quarter to monitor special account reclassifications, transfers to the Trust Fund, and account closures planned in SEMS for regional Superfund Division Directors and the SASMC. Planned reclassifications, transfers to the Trust Fund, and account closures will be based on planning data entered during work planning and mid-year updates for the current fiscal year. The reports will document those actions planned in SEMS, the status of notification memos/emails for those actions, and completion of the reclassification, transfer to the Trust Fund, or account closure.

**Issue Special Account Quarterly Management Reports. (*Quarterly*)**

OSRTI will prepare a report at the end of each quarter with a snapshot of current fiscal year special account financial activity for regional Superfund Division Directors and the SASMC. The report will provide, at a minimum, national and regional balances available and obligations/disbursements from special accounts. Data provided in the quarterly management reports may be changed by OSRTI to ensure information is provided to regional and Headquarters offices that allows for effective management of special accounts.

**Checklist for Headquarters' Review of FY 2014 Special Account Planning Data**

**OSRE**

- ☐ Amount to be Obligated for Disbursement to Work Parties field:
  - Is either \$0.0 or greater and is NOT a negative number.
- ☐ Future Settlement Incentive:
  - Review report of upcoming negotiations for FY 2014 and FY 2015 for opportunities to use special account funds as settlement incentive.
  - Ensure funds planned for Future Settlement Incentive are moved to "Amount to be Obligated for Disbursement to Work Parties" field once settlement is finalized.
- ☐ Use Required by Existing Settlements field:
  - Limitation field is checked Yes if this field is used.
  - Use is explained in Comment field and is required by the settlement (is not regional preference for using funds).
  - Ensure funds can't be planned elsewhere in the planning screen.
- ☐ Potential EPA Work Takeover field:
  - Ensure criteria in SA Planning and Use Guidance for financial assurance are met.

**OSRTI**

- ☐ Available balance amount:
  - Review account plans where available balance is >\$1M.
  - Review account plans where available balance is <\$25K (can account be closed?).
- ☐ Accounts with \$0 obligated or disbursed past 5 years:
  - Review when funds are planned to be used.
  - Check for unliquidated obligations.
- ☐ Accounts more than 10 years old:
  - Review utilization and when available funds are planned to be used.
- ☐ Accounts at sites that have achieved CC:
  - Ensure funds are planned for use no more than 15 years after site CC achieved, unless EPA is conducting oversight of PRP actions at the site.
  - If planned for longer use, review why funds are needed (e.g., additional work).
- ☐ Pre-Remedy Future Costs field:
  - ROD, ROD Amendment, ESD, Action Memo is planned or RI/FS is underway.
- ☐ Pre-Work Party Settlement Contingency field:
  - Negotiations are planned or ongoing and not completed, or
  - Cleanup decision document is planned but RI/FS is not completed.
- ☐ Protectiveness Contingency:
  - Reasonable explanation is entered in Comment field for why contingency is needed.
  - Review number of FYRs completed and findings.
- ☐ Other Plans:
  - Review explanation for use of funds entered in the Other plans field.
- ☐ Unassigned Remaining Balance:
  - Is not negative and is not more than \$100K.
- ☐ Review Comment field to ensure special account planned uses consistent with information entered.
- ☐ Review planned T obligations for sites to ensure SA funds being used first.
- ☐ Review unliquidated T obligations for sites to identify where special account funds may be used instead.
- ☐ Review status of planned reclassifications, transfers, and closures for FY 2014.
- ☐ Review audit report for each region to identify data quality concerns.